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FARMERS' BULLETIN No. 964



## FARM HOUSEHOLD ACCOUNTS



**F**ARM HOUSEHOLD ACCOUNTS are valuable, both as supplements to the records of the farm business in general and as a means of effecting savings in operating the household. The methods of household account keeping outlined in the following pages are of the simplest character, and are intended to suggest how household accounts may be kept, rather than to outline any hard and fast system for all families to follow.

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# FARM HOUSEHOLD ACCOUNTS

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## IMPORTANCE OF HOUSEHOLD ACCOUNTS

**H**OUSEHOLD EXPENSES on the farm are intimately associated with the business of the farm itself. The farm normally supplies much material which otherwise would become a household expense. The household, in turn, often furnishes board for farm labor, which would otherwise be a farm expense. Merely from the standpoint of keeping track of household expenses as related to the farm business, household accounts are desirable and should serve to supplement and round out farm accounts.<sup>1</sup>

But the value of household accounts goes beyond this. Such accounts are an important aid to economy. A dollar saved is a dollar made, and the first step toward the saving usually lies in finding out where unnecessary expenses are incurred. This can be determined only by keeping careful records of expenses for the whole year. The farm household, though still in many cases receiving its major support in farm products consumed at home, purchases far more extensively than ever before from outside sources. Farm household accounts have become essential to economy.

## METHODS OF KEEPING RECORDS

One method of keeping a record of household expenditures is to record purchases, or money paid out, without classifying the expenditures until the end of the month or year. The other is to classify when the record is made.

In the first method the daily record is very simple, the first three columns of Figure 2 being sufficient. At the

end of the month or year the total expenditure readily may be determined. But to know the totals for each kind or class it is necessary to make up, on a separate page, a monthly summary (fig. 1), in which the items are distributed in different columns, by classes. This extra work at the end of each month, or year, may cause discouragement and neglect of classification, so that the greatest good that could be derived from the records is not realized.

The second method is therefore more satisfactory. For here the items, besides being entered together in one column, are classified on the same page in separate columns (fig. 2). Thus the work of distributing the items of expenditure to the proper classes can be done from day to day and without the inconvenience of turning to some other page. The distribution may be left to moments of leisure if the person is busy at the time the entry is made. When the page is filled the next page is begun, the top line next to the heading being reserved for the total carried forward from preceding page. The items may be totaled at the end of the month and these totals carried to the summary page at the end of the book (fig. 1).

A modification of the second method (fig. 3), which classifies directly, without using a column in which all the items are included, is suggested to allow for saving space. With this method each item occupies but a fraction of a line. This system thus requires fewer pages than the foregoing and makes it convenient to have one page to each month, permitting a study of the daily figures and part of the summary before the year is ended.

<sup>1</sup> Farmers' Bulletin 511, Farm Bookkeeping.

Monthly Summary				Monthly Summary										15
Date	Item	Amount and Kind	Value	Animal Food	Fruits Vegetables	Cereal Products	Other Groceries	Butt'ng	Household Purchases	Running Expenses	Advance-ment	Savings	Income-Details	
1918														
April			50.10	3.20	1.50	1.35	1.72	8.60	23.33	4.75	1.20	.30	4.15	
May														
June														
									</					

FIG. 1.—Form for monthly summary. This summary is used with either of the classified forms shown in Figures 2 and 3

The chief disadvantage of this system is that the spaces for description of articles bought are narrow, if the book is of the usual width, making complete description impossible.

#### KIND OF ACCOUNT BOOK TO USE

The kind of book to use is not important. An ordinary blank day-book or ledger book with a stiff cover may be bought at a reasonable price. If the vertical rulings do not serve the purpose others may be inserted with a pen or pencil. The blank book used by the writer has a stiff, pressed paper cover; is 12 inches long and 7 inches wide, has 34 spaces for items, contains 48 pages, and was bought at a retail store for less than 25 cents. With the vertical ruling and headings inserted (figs. 1 and 2), it served the purpose admirably. To eliminate the necessity of writing the headings on each page the tops of a number of pages may be cut off, allowing one set of headings to serve for all pages. If accounts are kept in a book with small pages, the page is soon filled, is often crowded, and the information is scattered over too many pages for convenience in recording and studying the expenditures.

#### GROUPING OF EXPENDITURES

Groups or classes of expenditures are suggested to simplify the accounts. If a farmer attempted to list the purchases of all individual items in separate columns, it would require a great amount of detail work. But if for instance he groups his expenditures for meats, lard, oysters, eggs, butter, milk, cream, and cheese under "animal food," he will have the total expenditures for a distinct class of foods. At the end of the year he may want to know how much cheese was bought during the year. He need only run down the column of animal food purchases and pick out the items for cheese.

The following outline may be used to group the expenditures. The first three food groups are distinctly farm products. Totals for these groups at end of year will show how much of these classes of food was bought. Data thus obtained should offer suggestions as to how expenses for goods of this class may be reduced by greater home production. On the average farm 80 per cent of the animal products and 70 per cent of the fruits and vegetables used by the family are taken from the farm.<sup>2</sup> The 10 divi-

<sup>2</sup> U. S. Department of Agriculture Farmers' Bulletin 635, What the Farm Contributes Directly to the Farmer's Living.

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## Household Expenditures

Date 1918	Item		Value	Animal Food	Fruits Vegetables	Cereal Products	Other Groceries	Clothing Furnishing	Household Furnishing Expenses	Household Savings	Accidents
	Amount	Kind									
Apr 2	2 <sup>nd</sup>	Coffee	.50				.50				
2	50	seed, man	4.50					4.50			
2	Large	Cherry	.15					.15			
2	Flower seed		1.00								1.00
5	24 <sup>th</sup>	flour	1.70			1.70					
5	1 <sup>st</sup>	dry beans	.30		.30						
5	2 <sup>nd</sup>	chicken	.60	.60							
5	US	Savings certificate	4.15								
7	Church		.50							.50	
8	Notary fee		.25								.25
8	Subsistence	1 paper	1.00								
8	Telephone bill		2.20					2.20		1.00	
8	Hair cut	for	.25								.25
9	Emma	washing	.60					.60			
10	tea	table	1.50					1.50			
13	movie	for me	.20							.20	
	riding		.10								.10
	Andy and cigar		.15								.15
	Arthur Henry		1.25					1.25			
14	Mission		1.00							1.00	
16	Penicil		.05							.05	
	1 <sup>st</sup>	insurance	.13						.13		
	Life insurance		25.00								25.00
			4.50				4.50				

Fig. 2.—Form of classified account. This form necessitates entering each amount twice, but simplifies greatly the work of making the monthly summary

## Household Expenditures

[illegible]

Fig. 3.—A compact form for classified account. This form economizes space, but prevents complete description and the assembling of all items in a single column

sions are suggested for the average of headings consistent with intelligent farm family as the smallest number study:

<b>Animal food:</b>	<b>Other groceries—Con.</b>	<b>Advancement:</b>
Meats.	Baking powder and soda.	Recreation—
Lard.	Gelatin.	Picnics.
Oysters.	Spices.	Trips.
Fish.	Flavorings.	Fairs.
Eggs.	Olive and other oils.	Movies.
Butter.	Honey.	<b>Education—</b>
Milk.	Nuts.	Schooling.
Cream.	Pickles.	Books.
Cheese.	Olives.	Periodicals.
<b>Fruits and vegetables:</b>	<b>Clothing:</b>	Daily papers.
Fresh fruits.	Suits.	Music.
Dried fruits.	Shoes.	Pictures.
Canned fruits.	Hats.	Lectures.
Citrus fruits.	Other clothing.	Chautauqua.
Fresh vegetables.	Repairs, cleaning, pressing	Radio.
Dried vegetables.	<b>Household furnishings:</b>	<b>Benevolence—</b>
Canned vegetables.	Furniture.	Gifts.
<b>Cereal products:</b>	Table and bed linen.	Church.
Wheat flour.	Curtains.	Red Cross.
Rye flour.	Carpets, rugs.	Charity.
Buckwheat flour.	Kitchen utensils.	<b>Incidentals:</b>
Corn meal.	<b>Running expenses:</b>	Doctor.
Hominy.	Fuel.	Medicine.
Breakfast foods.	Light.	Dentist.
Rice.	Ice.	Lawyer.
Bread.	House servants.	Tobacco.
Pastry.	Stationery and postage.	Candy.
Macaroni.	Telephone.	Flower seeds.
Crackers.	Laundry.	Barber.
<b>Other groceries:</b>	Soap.	<b>Savings:</b>
Coffee.	Toilet articles.	Investments.
Tea.	Poll tax.	Savings-bank account.
Cocoa.	Accident insurance.	Life insurance.
Sugar.	Fire insurance (contents of house).	
Syrup.		

### ALLOWANCE FOR SUPPLIES PROVIDED BY HOME FARM

In general, over 60 per cent of the value of the food and over 50 per cent of the value of the fuel consumed by farm families is produced on the farm. This important contribution of the farm is often not fully appreciated by the family enjoying it. A record of the actual products retained on the farm for family use may be of interest and value. This earning of the farm is probably of value secondary to the net cash income from crop and live-stock sales, but it is of sufficient importance on the average farm to be borne in mind in the management of the farm.

It may seem difficult to record each bunch of beets, each head of lettuce, and each quart of milk as taken from the garden or saved from the day's supply of milk, but the task is not as arduous as it may seem. In summer, when the farmer's wife is very busy, if she has not time to do this every day, or if she forgets, it need not seriously affect the value of the record, since the average housekeeper can estimate closely the quantity of the different kinds of vegetables, the number of eggs, the quarts of milk, etc., used during the week. Thus she can find time once a week or oftener to bring her record up to date. At the end of the year her record

probably will be sufficiently accurate for all practical purposes.

It may be well to stress the more important items. In general, animal products including meat products, poultry products, and dairy products, constitute about 75 per cent of the value of the food furnished by the farm. Fruits constitute about 6 per cent, and vegetables about 18 per cent. Thus the garden vegetables, gathered in varying amounts nearly every day of the growing season, are only one-fourth as important in the aggregate as animal products.

The number of bushels or barrels of potatoes put in the cellar for winter use should be recorded and if later any are taken out for seed or sale this quantity should be deducted. Do the same with all meat, vegetables, fruits, or other product saved for home use.

At the end of the year or season total the quantity of each item. To determine the value of products use the price that they would have sold for on the farm.

The form suggested for these records is shown in Figures 4 and 5. It will be noticed that the edge of the middle leaf is cut off. As there are usually too many items to be listed on two pages of the open book, the short leaf will serve as an insert, allowing space for additional columns and making them easily available for entry.



